

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON BUSINESS AND LABOR

Call to Order: By **CHAIRMAN JOE MCKENNEY**, on February 17, 2001 at 8:00 A.M., in Room 172 Capitol.

ROLL CALL

Members Present:

Rep. Joe McKenney, Chairman (R)
Rep. Rod Bitney, Vice Chairman (R)
Rep. Gary Matthews, Vice Chairman (D)
Rep. Sylvia Bookout-Reinicke (R)
Rep. Nancy Fritz (D)
Rep. Dave Gallik (D)
Rep. Kathleen Galvin-Halcro (D)
Rep. Dennis Himmelberger (R)
Rep. Carol C. Juneau (D)
Rep. Jim Keane (D)
Rep. Rick Laible (R)
Rep. Bob Lawson (R)
Rep. John Musgrove (D)
Rep. William Price (R)
Rep. Allen Rome (R)
Rep. Donald Steinbeisser (R)
Rep. Brett Tramelli (D)

Members Excused: Rep. Roy Brown (R)
Rep. James Whitaker (R)

Members Absent: None.

Staff Present: Gordon Higgins, Legislative Branch
Jane Nofsinger, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted:2/14/01
Executive Action:HB406, HB448, HB479, HB497,
HB539, HB589, HB564, HB574, HJR28

EXECUTIVE ACTION ON HJR28

Motion: REP. LAIBLE moved that HJR28 DO PASS.

Discussion:

REP. LAIBLE said at this point he was requesting the bill to be tabled because REP. GALLIK had an existing bill which accomplishes what he wanted to do in a better way.

Vote: Motion that HJR28 BE TABLED carried unanimously.

EXECUTIVE ACTION ON HB497

Motion: REP. PRICE moved that HB497 DO PASS.

Discussion:

REP. PRICE said there are defined sides to the issue, with contractors on one side and unions on the other. He noted the contractors were bonded and insured, however, safety was a matter of perception to each side. He said he did not agree with the fiscal note because it would not require a full-time employee.

REP. MUSGROVE said he did not see a compelling reason for change. He said he thought it was a lack of manpower, rather than a lack of ratio.

REP. KEANE said he had run a statewide apprentice program for nine years for operating engineers. He told the committee their ratio was 1:9. He said different trades have different requirements. "People are looking for cheap labor through this bill," he said. He said the bill would put workers in positions which require skilled labor. He also said if too many people are trained, then the jobs aren't there, because they would be taken. "Many people have to leave Montana because the work isn't here," he said. He asked the committee to please oppose the bill.

{Tape : 1; Side : A; Approx. Time Counter : 11.6}

REP. GALLIK said, "I don't know why we need this." "If there is not a need, why put it on the books," he asked. He noted there was testimony that 40 electricians were ready to go to work at the union hall in Helena.

REP. LAIBLE said he favored the bill and thought we were losing good people who were going out of state. "Here is a bill to train these people for high paying jobs," he said. He said this bill puts Montana on parity with adjoining states. He added that union

shops do 25-30% of work in the state, and the rest is done by shops which can't get enough workers.

Motion/Vote: REP. PRICE moved that HB497 BE AMENDED. Motion carried 18-1 with Gallik voting no.

Motion/Vote: REP. PRICE moved that HB497 AMENDMENT #2 BE AMENDED. Motion carried unanimously.

Motion: REP. PRICE moved that HB497 DO PASS AS AMENDED.

Discussion:

REP. LAWSON said he had checked with his electrician and plumber who are independent and he would support it.

REP. BOOKOUT-REINICKE agreed with REP. LAWSON.

REP. GALLIK said there is a waiver in the current law which would take care of it, so he said he would still oppose the bill.

REP. BITNEY said he had overwhelming support for the bill and had received a fistful of letters so he was supporting it.

REP. GALVIN-HALCRO said the state is in a serious economic situation. "If the market is glutted, it will bring down the wages for these well-trained workers." she said. She added they expect a good salary after they have gone through all the training. "We do not have the right to take away money from well-trained people," she said.

REP. MUSGROVE said he was not sure that changing the ratio was going to give the people more work. He said the bill will not solve the problem.

Motion/Vote: REP. PRICE moved that HB497 DO PASS AS AMENDED. Motion carried 11-8 with Fritz, Gallik, Galvin-Halcro, Juneau, Keane, Matthews, Musgrove, and Tramelli voting no.

EXECUTIVE ACTION ON HB406

REP. PRICE said his subcommittee had met twice to discuss HB406 and had prepared two amendments.

{Tape : 1; Side : B; Approx. Time Counter : 0}

Motion: REP. PRICE moved that HB406 DO PASS.

Discussion:

Motion: REP. PRICE moved that HB406 BE AMENDED.

Vote: Motion carried unanimously.

Motion: REP. PRICE moved that HB406 BE AMENDED.

Discussion:

REP. GALLIK called this a good bill but said he was worried if the amendment provided enough coverage.

Mr. Higgins said the state felt this was an effective way to say they do this, but they opposed mandates. He said they are also required by federal law to provide education and called this a creative way to do it.

REP. LAWSON asked if the amendments covered all the opponents points.

REP. PRICE said their concerns were addressed.

Vote: Motion carried 16-3 with Gallik, Juneau, and Keane voting no.

Motion: REP. PRICE moved that HB406 DO PASS AS AMENDED.

Discussion:

REP. MUSGROVE said he thought it was a workable bill and commended the committee for their efforts.

REP. JUNEAU said this was good legislation because 100% of the Indian families were impacted by diabetes. "We all represent our Indian families, " she said. She also said she encouraged the people who testified to gather information from the Indian health services.

REP. HIMMELBERGER said he had received helpful information from the Cheyenne Tribe.

REP. ROME said he supported the bill.

REP. LAIBLE said this was money well-spent which would give a good return.

Motion/Vote: **REP. PRICE** moved that **HB406 DO PASS AS AMENDED**.
Motion carried 18-1 with McKenney voting no.

EXECUTIVE ACTION ON HB574

Motion: **REP. GALVIN-HALCRO** moved that **HB574 DO PASS**.

Discussion:

Motion: **REP. GALVIN-HALCRO** moved that **HB574 BE AMENDED**.

Discussion:

Mr. Higgins noted this provided an exception that a deed for contract did not have to be recorded if it was requested not to be recorded.

REP. HIMMELBERGER stated that this amendment covered the concerns of the Montana Banking Association and the Montana Title and Abstract Company.

Vote: Motion **carried unanimously**.

Motion/Vote: **REP. GALVIN-HALCRO** moved that **HB574 DO PASS AS AMENDED**. Motion carried 15-4 with Bitney, Lawson, McKenney, and Steinbeisser voting no.

{Tape : 2; Side : A; Approx. Time Counter : 0}

EXECUTIVE ACTION ON HB564

Motion: **REP. LAWSON** moved that **HB564 DO PASS**.

Discussion:

Motion: **REP. LAIBLE** moved that **HB564 BE AMENDED**.

Discussion:

REP. LAIBLE said this was a clean-up amendment which changes time periods from quarterly to monthly, and calendar year to fiscal year.

Vote: Motion **carried 18-1 with Galvin-Halcro voting no.**

Motion: **REP. LAIBLE** moved that **HB564 DO PASS AS AMENDED.**

Discussion:

REP. GALLIK said he was reading about federal tax cuts every day and he knew that money would be coming out of somewhere. He said if the state is set up to take over this national program, then it might have to.

REP. LAIBLE said that had no bearing on this bill, and if the funding stopped, it would and that was not a matter for the state legislature. He stated this bill would make Montana ready if that happens. He asked why wait until the next legislature, and why not be proactive.

REP. GALVIN-HALCRO said, "While I was campaigning the added fees on Quest and Montana Power were a major issue with the voters." She stated if the legislature allowed this bill it would lead to another fee. She said the proponents said it needed to be adopted just in case, but she felt "the just in case was not here yet."

Vote: Motion **carried 11-8 with Bookout-Reinicke, Fritz, Gallik, Galvin-Halcro, Juneau, Keane, Musgrove, and Tramelli voting no.**

{Tape : 2; Side : A; Approx. Time Counter : 10}

EXECUTIVE ACTION ON HB479

Motion: **REP. LAWSON** moved that **HB479 DO PASS.**

Discussion:

Motion: **REP. PRICE** moved that **HB479 BE AMENDED.**

Discussion:

Mr. Higgins said this amendment addresses the concerns of the bondhouses. He said it allows variable rates to be sold and private bondhouses to continue.

Vote: Motion carried unanimously.

Motion/Vote: REP. PRICE moved that HB479 DO PASS AS AMENDED.
Motion carried unanimously.

EXECUTIVE ACTION ON HB448

Motion: REP. BOOKOUT-REINICKE moved that HB448 DO PASS.

Discussion:

Motion: REP. BOOKOUT-REINICKE moved that HB448 BE AMENDED.

Discussion:

Mr. Higgins said this amendment was a result of Mr. Swcheitzer's testimony in regard to how contractors get paid, stating there must be a bill or some form.

Vote: Motion carried 18-1 with Keane voting no.

Motion: REP. BOOKOUT-REINICKE moved that HB448 DO PASS AS AMENDED.

Discussion:

REP. BITNEY moved the Brown Amendment to HB448.

Discussion:

Mr. Higgins said this amendment removes the repealer and applies to commercial contracts. He added it leaves residential contracts as law. He noted the work stoppage provision was removed from the bill.

REP. BOOKOUT-REINICKE asked why he wanted the work stoppage taken out.

CHAIRMAN MCKENNEY said he would like to support the bill but he had a problem with the work stoppage. He noted work stoppage in one area of a big project could affect the entire job.

REP. LAWSON wanted to know why the repealer was taken out.

Mr. Higgins said, as written, the bill had repealed an exemption. Residential construction would fall under this and currently it does not. He said that by striking the repealer, it leaves language which provides for residential construction projects. The bill only covers large construction projects, he added.

REP. GALLIK said he had to go against the bill because it now had no teeth.

REP. MUSGROVE noted that a mechanics' lien against a residence had more protection than work on a state building which could not be liened.

REP. LAIBLE said these amendments take out the penalty but leave the payment and time-table schedules. He said he could support the amendment.

Vote: Motion **carried 10-9 with Fritz, Gallik, Galvin-Halcro, Himmelberger, Juneau, Keane, Matthews, Musgrove, and Tramelli voting no.**

Motion/Vote: **REP. LAWSON** moved that **HB448 DO PASS AS AMENDED.**
Motion carried 17-2 with Keane and Musgrove voting no.

EXECUTIVE ACTION ON HB539

Motion: **REP. GALVIN-HALCRO** moved **HB539.**

Discussion:

Motion: **REP. GALVIN-HALCRO** moved that **HB539 BE AMENDED.**

Discussion:

Mr. Higgins said the amendment attempted to clarify the interest charge process.

REP. MANGAN discussed the amendments with the committee.

REP. LAWSON asked about pawn shops.

REP. MANGAN said this bill does not deal with them, but **SEN. SPRAGUE** has a bill that does.

Vote: Motion **carried unanimously.**

Motion: REP. GALVIN-HALCRO moved that HB539 BE AMENDED.

Discussion:

Mr. Higgins said this amendment puts in an exemption for pawnbrokers, so if the act passes, pawnbrokers will not be included.

REP. GALLIK asked if he go could to a pawnbroker and get a title loan.

REP. BOOKOUT-REINICKE said there is a another whole section of law which deals with pawnbrokers,

Vote: Motion carried unanimously.

Motion: REP. GALVIN-HALCRO moved that HB539 DO PASS AS AMENDED.

Discussion:

REP. GALLIK asked if it would be considered paid in full if the car was brought back damaged.

REP. MANGAN said there was no special language regarding that.

REP. BITNEY said he could not support the bill because it restricted businesses and consumers alike.

REP. JUNEAU said she thought the bill provided guidance and she supported it.

REP. MATTHEWS noted this was a fast-growing industry and if it was not regulated now, it would be next session.

REP. MUSGROVE said the number of businesses should drive the rates down unless there was collusion between the lenders.

REP. BITNEY said the legislature sees bills like this every session. He stated these businesses are the only means of financing available to many of their customers. He noted they are also regulated in the Montana Consumers Act.

REP. GALLIK said he understood the need for the bill because this was an industry which had grown so fast. He stated he did not think this bill would put anybody out of business.

Vote: Motion carried 11-8 with Bitney, Brown, Himmelberger, Keane, Laible, McKenney, Rome, and Whitaker voting no.

ADJOURNMENT

Adjournment: 10:30 A.M.

REP. JOE MCKENNEY, Chairman

JANE NOFSINGER, Secretary

JM/JN

EXHIBIT (buh40aad)